



PARAMOUNT CORPORATION BERHAD

CODE OF BUSINESS CONDUCT AND ETHICS

(Revised: 27 February 2018)

1. OBJECTIVES

- 1.1 Paramount Corporation Berhad (**Paramount**) is committed to maintaining the highest standards of honesty, integrity and ethical conduct in line with good corporate governance.
- 1.2 The Board of Directors of Paramount has adopted this Code of Business Conduct and Ethics (**Code**) to:
 - i) emphasize its commitment to ethical behavior and compliance with the law by defining the basic standards of ethics and legal behavior;
 - ii) include noble characteristics in the performance of duties at all levels of the organizational hierarchy so as to improve work quality and productivity;
 - iii) improve self discipline in order to provide good and quality service; and
 - iv) create a corporate culture of operating the businesses of Paramount and its subsidiaries (**Group**) in an ethical manner, and to uphold the highest standards of professionalism and exemplary corporate conduct.

2. SCOPE

- 2.1 In the context of this Code:
 - i) a Director means any person who holds office as a director or alternate director of any company within the Group, and includes both Executive and Non-Executive Directors;
 - ii) the Company means any company within the Group;
 - iii) the Board means the board of directors of the Company;
 - iv) Employee means any employee of the Group;
 - v) Key Employee means any employee of the Group who has a significant role in the management of the businesses of the Group; and
 - vi) Words importing the masculine gender only shall include the female gender.
- 2.2 This Code applies to all Employees (whether full-time, probationary, part-time, contract or casual employees) and all Directors.
- 2.3 Given the variety and complexity of ethical questions that may arise in the course of business, this Code serves only as a guide. Confronted with ethically ambiguous situations, Employees and Directors should seek advice from their supervisors, managers, other appropriate personnel or the Chairman of the Board to ensure that all actions taken on behalf of the Company would honor this commitment.

3. ETHICAL STANDARDS

3.1 Conflict of Interest

- 3.1.1 A conflict of interest will exist when the private interest of an Employee or a Director interferes in any way with the interests of the Company. A conflict can arise when an Employee or a Director takes actions or has interests that may make it difficult for him to perform his duties/work for the Company objectively and effectively. A conflict of interest may also arise when an Employee or a Director, or members of his family, receives improper personal benefits

as a result of his position in the Company. A loan or a guarantee of obligation granted by the Company to an Employee or Director or his family members may create conflict of interest. It is almost always that a conflict of interest will arise when an Employee or Director works simultaneously for a competitor, customer or supplier of the Company.

- 3.1.2 A conflict of interest may not always be clear-cut. Hence, if in doubt, all Employees and Directors should consult and seek advice from their supervisor or manager or, if circumstances warrant, the Head of Internal Audit of Paramount. Any Employee or Director who becomes aware of a potential conflict of interest should bring it to the attention of his supervisor, manager, other appropriate personnel or the Chairman of the Board.
- 3.1.3 All Employees and Directors should disclose any material transaction or relationship that could reasonably be expected to give rise to such a conflict.
- 3.1.4 All Key Employees shall be required to submit once in every year in conjunction with the annual performance appraisal, a Declaration confirming that no conflict of interest between the Key Employee and the Company had occurred during the year, and undertaking to immediately declare to the Company should there be any transaction in which he has an interest that may give rise to a conflict of interest between him and the Company. The Declaration may be submitted by electronic means through the Group's human resource management portal.

3.2 Corporate Opportunities

No Employee or Director may use any corporate property, information or position for improper personal gain, and no Employee or Director may engage, directly or indirectly, in any activities that are in competition with the Company. Employees and Directors owe a duty to the Company to advance its legitimate interests whenever possible.

3.3 Fair Dealing

- 3.3.1 All Employees and Directors shall behave honestly and ethically at all times and with all stakeholders. They shall act in good faith, with due diligence and care, and shall engage only in fair and open competition, by treating their colleagues and the Company's competitors, suppliers and customers ethically. No Employee or Director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practices.
- 3.3.2 The purpose of business entertainment and gifts in a commercial setting is for the sole purpose of creating goodwill and sound working relationships, not to gain unfair advantages with the customers and from any third parties. No gift or entertainment should ever be offered or accepted by an Employee or a Director or their family member unless it:
 - i) is consistent with customary business practices;
 - ii) cannot be construed as a bribe or payoff, meaning it will not influence objective and fair business decisions; and
 - iii) does not violate any laws or regulations.
- 3.3.3 The offer or acceptance of cash gifts by any Employee is prohibited. Employees should discuss with their supervisors, managers or other appropriate personnel if the offer of any gifts or proposed gifts, is deemed to be inappropriate.

3.4 Insider Trading

- 3.4.1 Employees and Directors who have access to confidential information are not permitted to use or share that information for securities trading purposes (**insider trading**) or for any other

purposes except in the conduct of the Company's businesses. All non-public information about the Group should be considered as confidential information.

- 3.4.2 It is always illegal to trade in Paramount securities while in possession of material, non-public information, and it is also illegal to communicate or "tip" such information to others. While all Employees are prohibited from insider trading, the Company has adopted an Insider Dealing Policy that is applicable to Directors, executive officers and key employees, which is published on the Paramount's website.

3.5 Confidentiality

All Employees and Directors must maintain the confidentiality of information entrusted to them, unless the disclosure is duly authorised by the Company or legally mandated. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed, or is price-sensitive and will have an effect on the market price of the Company when it becomes publicly known. It also includes information that suppliers and customers have entrusted to the Group. The obligation to preserve confidential information continues even after employment ends.

3.6 Protection and Proper Use of Company Assets

- 3.6.1 All Employees and Directors should endeavor to protect the Group's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Group's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. The Group's equipment should not be used for non-Group businesses, although incidental personal use is permitted.
- 3.6.2 The obligation of Employees and Directors to protect the Group's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business strategies, marketing and service plans, engineering and construction ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of such information would tantamount to a violation of this Code. It could also be illegal and result in civil or criminal penalties.

3.7 Compliance with Laws, Rules and Regulations

Compliance with the law, both in action and in spirit, is the foundation on which the Group's ethical standards are built. In conducting the businesses of the Group, Employees shall comply with applicable laws, rules and regulations at all levels of government, commissions and exchanges in jurisdictions within which the Group operates. Although not all Employees or Directors are expected to know the details of these laws, it is important to know enough about the applicable local, state and national laws to determine when to seek advice from supervisors, managers or other appropriate personnel. The Company reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

3.8 Timely and Truthful Public Disclosure

In reports and documents filed with or submitted to Bursa Malaysia Securities Berhad (**Bursa Malaysia**), the Securities Commission and any other government or regulatory bodies by the Company, and in official communications made by the Company to the public, the Employees involved in the preparation of such reports and documents (including those who are involved in the preparation of financial or other reports and the information included in such reports and documents) and the Directors responsible for reviewing and approving such filing should make disclosures that are complete, fair, accurate, timely and understandable. Where applicable,

such Employees shall provide thorough and accurate financial and accounting data for inclusion in such disclosures. Employees and Directors shall not knowingly conceal or falsify information, misrepresent material facts or omit material facts that are necessary and should avoid providing information that is misleading to the Company's auditors, investors or the public.

3.9 Significant Accounting Deficiencies

The Group Chief Executive Officer and every senior financial officer shall promptly bring to the attention of the Audit Committee of Paramount any matter concerning:

- i) significant deficiencies in the design or operation of internal controls over any financial reporting that could adversely affect the Paramount's ability to record, process, summarize and report financial data; or
- ii) any fraud, whether or not material, that involves management or any Employee who have a significant role in the Company's financial reporting disclosures or the internal controls over such financial reporting.

3.10 Health and safety

Paramount will use its best endeavor to ensure a safe workplace and maintain proper occupational health and safety standards to commensurate with the nature of the Group's businesses and activities. Such a commitment requires all Employees and Directors to understand and abide by the Company's policies and procedures.

3.11 Employee Behaviour and Professionalism

- 3.11.1 Employees should remember that they are a reflection of the Company and are constantly being judged and otherwise appraised by everyone that they come into contact with. All Employees should therefore conduct themselves with the highest degree of professionalism in the workplace or any other location while on Company business.
- 3.11.2 Employees are to treat their fellow Employees fairly and courteously without regard to race, creed, religion, gender, nationality, age or disability, and shall not create any form of discrimination or prejudice in the workplace.
- 3.11.3 Sexual harassment by any Director or Employee is unacceptable. It is the Group's policy to provide all Employees with a working environment that is free from any form of sexual harassment. Any question concerning issues of such nature should be directed either to the Employee's superior or the Group Human Resource Department. All reports and/or complaints shall be treated with strictest confidence.
- 3.11.4 No Director or Employee is to be involved in or abet any activity that is deemed by the Company to be an act of misconduct, including the use and abuse of drugs.

4. WAIVERS

Any waiver of this Code for any Employee or Director may only be made by the Board of Directors of Paramount, and will be promptly disclosed as required by law or the exchange regulations.

5. VIOLATION OF ETHICAL STANDARDS

- 5.1 Any Employee or Director who is aware or has suspicion of any violation of this Code is encouraged to report such violations through the Whistleblowing Policy. The provision, protection and procedure of the Whistleblowing Policy for reporting are available on the Paramount's website. No retaliatory action of any kind will be permitted against anyone for making such a report in good faith, and Paramount will strictly enforce this prohibition.

- 5.2 If it is determined that this Code has been violated, either directly, by failure to report a violation, or by withholding information related to a violation, the offending Employee or Director may be disciplined for non-compliance including removal from office or dismissal. Such penalties may include written notices to the individual involved that a violation has been determined, censure by the Company, demotion or re-assignment of the individual involved and suspension with or without pay or benefits. A violation of this Code may also constitute a violation of applicable laws and may result in criminal penalties and civil liabilities on the offending Employee or Director and the Company. Employees and Directors are expected to cooperate in internal investigations of misconduct.

6. REVIEW

The Board of Directors of Paramount shall review this Code once in every three (3) years or as and when the need arises to ensure that it continues to remain relevant and effective in meeting the objectives as highlighted herein.
